



# FOREST TAX & STEWARDSHIP NEWS



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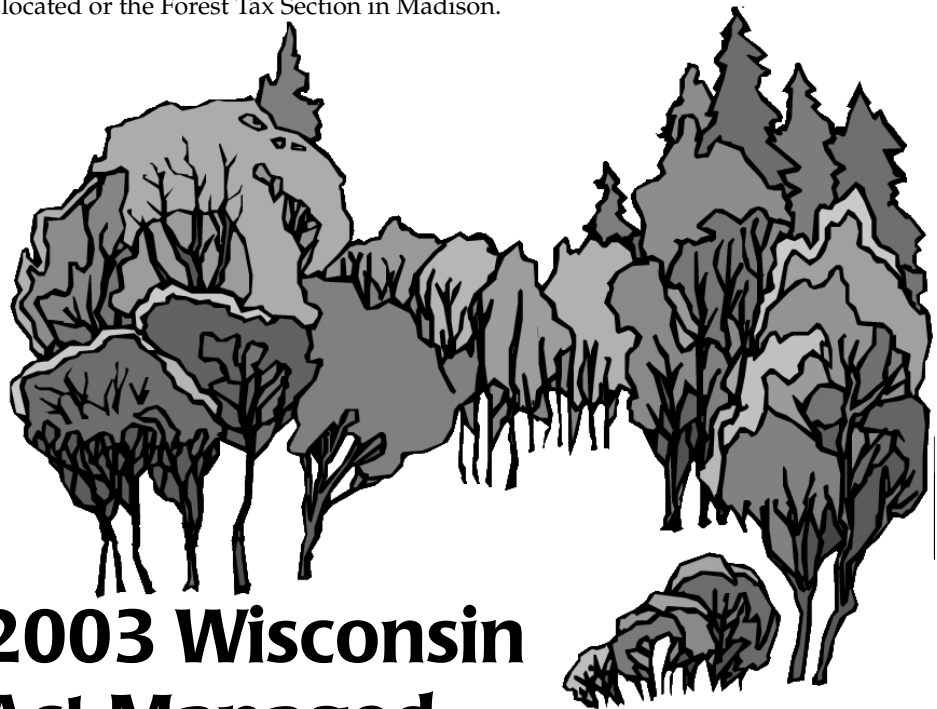
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## Governor Signs AB323 into Law

Governor Jim Doyle signed AB323 on Tuesday April 13<sup>th</sup>. Once the Governor signed this bill into law it became Act 228. Now that this is law it is important for every Managed Forest Law landowner to know. Starting April 28<sup>th</sup>, 2004, all transfer applications will require a \$100 fee for processing to be included. All Withdrawal applications will require a \$300 fee for processing to be included. Finally all new Managed Forest Law applications, without a management plan, will have the fee increased to \$300. New applications with a management plan that is approved require a \$20 fee. There will be many questions so please read the following article on Act 228 facts. If you do not see the answer to your question please contact the DNR forester in the county where land is located or the Forest Tax Section in Madison.



## 2003 Wisconsin Act Managed Forest Law Revision

### Fact Sheet

**2003 Wisconsin Act 228** was signed by Governor Doyle on April 13, 2004. This Act implements revisions to the Managed Forest Law (MFL) which came directly from recommendations made by the Governor's Council on Forestry's December 2002, Review of Wisconsin's Managed Forest Law report. Most of the changes included in the revision are effective immediately but some have a de-

layed effective date. These delays were provided to allow the department time to create the programs/process to go with the revisions or to plan for revenue changes in the forestry account. The changes enacted in this Act are described below. They have been divided into sections based on the effective date of the change.

## Changes Effective Immediately

- A. **New MFL Application Deadline set at July 1** (18 months prior to the effective date of entry) for owners of less than 1,000 acres. This deadline replaces the former January 31 deadline. All complete applications received by July 1 will be processed for entry effective the second January 1 (e.g., a complete application received by July 1, 2004 is eligible for entry effective January 1, 2006). There will be a second application date as well for landowners that submit their application with an approved management plan. See Section III. B.
- B. **MFL Application Fee raised to \$300.** A \$300 fee must accompany the application. Complete applications submitted prior to publication with a \$100 application fee would be accepted as is. The application fee for applications submitted with an approvable management plan package remains at \$20. The application fee for additions remains at \$20 but there are other restrictions on additions covered below.
- C. **Deed(s) submitted with the application must be recorded.** A copy of the *recorded* legal instrument (e.g., deed, land contract, etc.) showing ownership of the land applied for entry must accompany the application. Documents that have not been recorded will not be accepted as proof of ownership for entry.
- D. **Additions to NEW MFL entries (entered January 1, 2005 or later) will be allowed.** The rules for these additions will be same as in the past (minimum of 3 acres, contiguous to the MFL entry, same ownership and municipality)
- E. **Additions to old MFL entries (entered prior to January 1, 2005) will not be allowed.** Two provisions have been provided for cases when an owner was considering adding contiguous lands to an old MFL entry.

- 1) If the new land being considered for entry is 10 or more acres and meets the entry requirements for MFL it must be entered under a NEW and separate order.
  - 2) If the new land being considered for entry is less than 10 acres or it does not meet the entry requirements for MFL the owner has an option to withdraw the old entry and re-enter with the new land. The entire old MFL entry contiguous to the new parcel is withdrawn without penalty. Then the original acres along with the new acres would be entered under a NEW and separate order. All acres would be taxed under the new MFL tax rates described later in this fact sheet.
- F. **Closed Acreage allowed increased to 160 for new enrollees.** Anyone entering land under managed forest law effective January 1, 2005 or later may have up to 160 acres closed to public access per municipality (city, town, and village). No more than 80 of the 160 acres may have been entered in 2004 or earlier.
  - G. **MFL Tax Rates are changing for NEW MFL entries.** Beginning with MFL entries effective January 1, 2005 a new formula will be used to calculate MFL rates. The rates will be calculated initially for 2005, then recalculated for 2008 and every 5<sup>th</sup> year thereafter. The new formula sets the acreage share tax at 5% of the average statewide tax on forestland and the closed acreage fee at 20% of this average. Lands designated as *open* to public access pay the acreage share tax and lands designated as *closed* pay the acreage share tax plus the closed acreage fee. The rates calculated for old MFL orders will continue to be calculated based on the old formula. All acreage share taxes are split between the municipality (80%) and county (20%) where the land is located.

Table 1: Old and New MFL Rates

	Current Rates Old entries	Estimated New rates
Open Lands*	\$0.83	\$1.30
Closed Lands **	\$1.95	\$6.50

\* Rates on *open* lands = acreage share tax  
 \*\* Rates for *closed* lands = acreage share tax plus closed acreage fee

- H. **The open/closed designation of MFL land may be modified up to 2 times.** The designation of open and closed lands may be modified up to two times per MFL entry. This applies to all MFL entries (old and new). Any modifications to the open and closed designation must follow statutory and administrative code guidelines. The open and closed designation may be modified in conjunction with a transfer or withdrawal as well.
- I. **The Transfer Fee set at \$100.** This is the fee required when land currently under the managed forest law is transferred to another ownership. The revised fee will be required on any transfer received after *April 27, 2004*.
- J. **\$300 Withdrawal Fee is created.** The withdrawal fee will be added to the withdrawal tax assessed when land is removed from managed forest law designation early (before the 25 or 50 year order period is completed). The fee will be assessed on all withdrawals received after *April 27, 2004*.
- K. **\$250 non-compliance penalty provision is established.** The non-compliance penalty will be assessed when an owner fails to carry out mandatory forestry practices covered in the MFL management plan. The penalty will be used to gain compliance when necessary and will be billed and collected by the municipality where the land is located. The penalty will be shared between the municipality (80%) and county (20%).

- L. **No Yield Tax in first 5 years of NEW MFL entries.** The 5% yield tax assessed on timber harvested from MFL land will be waived for the first 5 years of NEW MFL orders. This 5-year waiver does not apply when an FCL contract is converted to MFL prior to the expiration of the contract or to renewals of expiring MFL orders.
- M. **Withdrawal for delinquent personal property tax.** If the personal property tax assessed against a building on land designated as MFL is delinquent the land will be withdrawn from MFL designation. And a withdrawal tax and withdrawal fee will be assessed against it.
- N. **Qualifying forested lands with in a city are eligible for entry.** Formerly only lands in towns or villages were eligible for entry.

### Changes Effective July 1, 2004

- A. **Change in the distribution of Yield Tax collections.** Beginning July 1, 2004 100% of all yield taxes collected will be split between the municipality (80%) and the county (20%) where the MFL land is located. The state will no longer retain 50% of the yield tax.
- B. **Change in the distribution of Withdrawal Tax collections.** Beginning July 1, 2004 100% of all withdrawal taxes collected will be split between the municipality (80%) and the county (20%) where the MFL land is located. The state will no longer retain 50% of the withdrawal tax.

### Changes Effective (in 18 Months)

- A. **A Certified Plan Writer or the DNR Forester must prepare all management plans.** Beginning *November 1, 2005* all MFL plans must be prepared by a plan writer certified by the department. The delayed effective date of this provision was provided to allow the department time to establish a certified plan writer process.
- B. **Second application deadline created – May 15, (7½ months prior to effective date of entry).** Beginning in 2006 there will be a second deadline for filing MFL applications. **Complete applications submitted with a completed management plan package by May 15** will be considered for entry effective the first January 1 (e.g., completed application with completed plan received May 15, 2006 is eligible for entry January 1, 2007.) This provision does not eliminate the July 1 deadline; it merely provides an opportunity for landowners to have a shorter period between the application deadline and the effective date of the entry if they can supply a completed management plan package. The management plan package must include, on department forms, 1) forest stand data, 2) map(s) of land being entered, 3) legal description and acreage information for land being entered, and 4) a written plan. The written plan must be prepared by a Certified Plan Writer (provision above) and be approved by the department before submission with the application.

## New Application Dates for the Managed Forest Law

The application due dates for the Managed Forest Law have changed due to the passage of AB323 (Act 228). Applications for January 1, 2006 entry must be postmarked by July 1, 2004. The new due date for applications without a completed management plan has been moved back 7 months from January 31st to July 1st. The processing time for all Managed Forest Law applications, without plans, has been lengthened from 11 months to 18 months. Those that miss this deadline for January 1st, 2006 entry will have to wait a full year, until July 1, 2005, before they can apply to enter their land for January 1st 2007 entry. As in the past, applications can be submitted with an approved management plan for a \$20 application fee.

Starting November 2005, applications with management plans must have the management plan completed by certified plan writers under the new rules. Applications for entry on January 1, 2007 that have management plans written by a certified plan writer must be mailed by May 15th 2006. The "second" date for entry allows those that miss the July 1 deadline to apply for entry into the Managed Forest law to have a plan written for their land so they can apply by May 15 for the following year. Here is a schedule of application deadlines for the next three years:

### Schedule of Application Deadlines

Entry for deadline	Application
January 1, 2006	July 1, 2004
January 1, 2007	July 1, 2005
Application with a plan written by a certified plan writer May 15, 2006	
January 1, 2008	July 1, 2006
Application with a plan written by a certified plan writer May 15, 2007	
After 2005 the process for application will be the same every year.	





# Wisconsin DNR's Forestry Assistance Locator

Paul Pingrey

Many Wisconsin landowners rely on the annual *Directory of Foresters* published by DNR. The *Directory* is a concise guide to contact information for both DNR Service Foresters and private consulting and industrial foresters who sign up for DNR's Cooperating Forester Program. The fifty-six-page book also provides practical information concerning services offered by public and private foresters and questions to ask before hiring a Cooperator. About 10,000 printed copies of the *Directory of Foresters* are distributed each year.

Considering the popularity of the information in the *Directory*, the Division of Forestry launched an online, interactive version called the **Forestry Assistance Locator**. The

Internet tool is available at <http://dnr.wi.gov/org/land/forestry/private/Assist/index.htm>. Being digital, however, the Forestry Assistance Locator offers a few useful features not possible in the print version.

When users log onto the Forestry Assistance Locator, they are presented with a map of the state. Clicking on a county generates a list of all the DNR and Cooperating Foresters who serve private woodland owners in the county. You can also narrow the search from the initial page by using a drop-down list of services. If you pick a county and search on "Prescribed Burning Services", for example, only the firms offering assistance with burning are listed. You can add firms providing additional services by clicking the "Search for More" option. The new search results would be appended to the first group.

The Forestry Assistance Locator can then be used like the "shopping cart" on sites like Amazon.com. After viewing the services and qualifications of foresters that match your interests you can pick names to add to your "cart". They appear as your personal contact list. When you are ready to "check-out" of the Forestry Assistance Locator, you are presented with an optional e-mail form where you can let the foresters in your contact list know



where your land is and what you want. You can cancel this last step if you wish and just print the contact list for follow-up the old-fashioned way by telephone. If you do send the e-mail, the DNR system directs a copy to you.

Try the Forestry Assistance Locator the next time you are looking for service or just have a question to ask. Since foresters are often in the field during the day, they like e-mail since it can be read and replies sent at any time. The Forestry Assistance Locator can also save you the frustration of making phone calls when foresters are not available to answer.



## Wisconsin Woodland Owners

May 15 from 9 AM –1 PM WWOA's Open Woods  
Spend a beautiful spring day taking a walk in the woods and bring a picnic lunch. WWOA members from across Wisconsin will open their land to the public and fellow woodland owners to learn more about private woodland management. Join us for a variety of activities for the whole family. To find the Open Woods site in your county visit What's New on the WWOA website at [www.wisconsinwoodlands.org](http://www.wisconsinwoodlands.org) or check your local newspaper.

## September 9-12 WWOA 25th Year Anniversary Annual Meeting

WWOA members will be celebrating WWOA's 25th Year anniversary in Stevens Point with tours, speakers, panel discussions, workshops, and field days including keynote speaker Dr. Patrick Moore. To learn more about WWOA visit [www.wisconsinwoodlands.org](http://www.wisconsinwoodlands.org) or call the WWOA office at 715/346-4798 for a free informational packet.



# Additions After 2003 Wisconsin Act #228

By Carol Nielsen

## What is an *Addition*? And are they still allowed?

An addition is when new land, land currently not designated as managed forestland, is added to an existing MFL entry. The result is an increase in the number of acres designated under the original MFL order but the expiration date; the end of the agreement does not change. 2003 Wisconsin Act #228 made some modifications to additions. Some additions are still allowed and where they are not allowed the Act created some alternative provisions.

## When are *additions* allowed?

Additions are allowed when new land is being added to a MFL entry that was entered in 2005 or later. These additions must also meet the following requirements:

- ✿ The land added must be at least 3+ acres
- ✿ At least a part of the land added must be contiguous to the existing entry
- ✿ The land added must be in the same municipality (city/town/village) as the existing entry
- ✿ The land added must be under the same ownership as the existing entry.

## When are *additions* not allowed?

Additions are not allowed if the existing MFL entry was entered before 2005 (pre-2005 entry) or if the land that is being added to the 2005 or later entry does not to meet all four requirements listed above.

## What are the alternatives *provisions*?

The alternative provisions apply to lands that would have been added to a pre-2005 MFL entry but because of the changes made by Wisconsin Act # that is no longer possible.

- ✿ **Provision 1:** If the land that was being considered for an addition to a pre-2005 entry is 10 or more contiguous acres and it meets all other MFL entry requirements it must be entered as a new entry on its own. It will have a new order number and a new 25 (or 50) year order period. Basically it is just another new entry with no connection to other lands designated as managed forestland.
- ✿ **Provision 2:** If the land that was being considered for an addition to a pre-2005 entry is less than 10 acres or it does not meet the MFL entry requirements then the landowner may withdraw all the land entered under the pre-2005 MFL entry and re-enter it all along with the new land. There would be no withdrawal tax or withdrawal fee for land withdrawn and re-entered in this manner. The withdrawal and re-entry will be effective on the same date. The land will all be designated under the same new order and it will be for a new 25 (or 50) year order period.

## Which provision applies?

**Situation 1:** A 60 acre parcel was entered in 1999. The land being considered for entry is 5 acres and contiguous to the 60 acres entered in 1999.

✿ **Answer 1:** *Provision 2 applies.* If the landowner wants to enter the 5 acres, then the 60 acres entered under the 1999 order must be withdrawn and re-entered along with the 5 new acres. A new order would be issued for the entire 65 acres.

**Situation 2:** An 80 acre parcel was entered in 1988. The land being considered for entry is 20 contiguous acres and 100% productive forest land.

✿ **Answer 2:** *Provision 1 applies.* If the landowner wants to enter the 20 acres then it must be entered under a new and separate order for the 20 acres by itself.

**Situation 3:** 50 acres were entered in 1990, consisting of one 30 acre parcel and one 20 acre parcel. The land being considered for entry is 8 acres contiguous to the 20 acre parcel entered in 1990.

✿ **Answer 3:** *Provision 2 applies.* If the landowner wants to enter the 8 acres, then both parcels (all 50 acres) entered under the 1990 order must be withdrawn and re-entered along with the 8 acres. A new order would be issued for the entire 58 acres.

## Have you moved? Or will you be moving? Please let us know your new address.

Mail all address changes to:

**Wisconsin Department of Natural  
Resources  
PO Box 7963  
Madison, WI 53707**





## 2004 is the “Year of Wisconsin Forestry”

Governor Doyle proclaimed 2004 as the “Year of Wisconsin Forestry” to underscore the significance of the 16-million-acre forest resource in Wisconsin. Private forest landowners such as yourself played an important role in the recovery of the forest resource over the past 100 years and continue to be key to sustainable forestry in Wisconsin today. As one of over 260,000 private forest landowners in Wisconsin, you hold an important stake in the future of forests in Wisconsin and their capability to provide not only for our needs today, but also for many generations to come.

The “Year of Wisconsin Forestry” is dedicated to promoting appreciation for the role forests play in our lives and the achievements of sustainable forest management while celebrating the successful recovery of our forest resource during the past 100 years.

“Forestry means many things to many people,” according to Paul DeLong, Wisconsin’s Chief State Forester. “To vacationers, bird watchers, anglers, skiers and hunters, our forests offer scenery, recreation and a place for quiet reflection. But Wisconsin’s forests are also working forests. They support a \$20 billion forest products industry and nearly 100,000 jobs. They also protect our water quality, filter our air and provide homes for many of the 200 endangered or threatened species in Wisconsin as well as countless more common species.”

One hundred years ago, however, Wisconsin’s forests were anything but glorious. Photos taken in the early 1900s depict the state’s north

woods as a vast wasteland of stumps and ever-raging forest fires, decimated by over-cutting and lack of management. Up until then, Wisconsin’s forests were cleared to create more and more farmland and the wood was used to build cities across the Midwest.

In 1904, the state hired its first forester, E.M. Griffith. His initial projects were to establish an effective fire control program, build a nursery to produce tree seedlings, and begin the task of reforesting Wisconsin. Over the past 100 years, the state forestry program has built upon the foundations of Griffith and his early programs, and established new programs to meet the needs of our forests, as well as the people who depend upon them socially and economically.

### State nursery program started to boost reforestation

Wisconsin’s first state nursery was established in 1911 at Trout Lake in Vilas County. Preparation of the nursery site included the logging of a red and white pine stand in the fall of 1910. Cones were collected from these felled trees and dried in the sun to extract seed for the nursery. Two years after sowing seed, the first production of 68,000 trees was distributed for forestry planting. The benefits of this early conservation work can still be seen at Star Lake in Vilas County where the first trees were planted in 1913.

Wisconsin has been considered a national leader in reforestation practices since the Civilian Conservation

Corps era. The state nursery program has been and continues to be a critical part of Wisconsin’s conservation efforts by providing quality tree seedlings for reforestation.

Currently, the Wisconsin Department of Natural Resources operates three forest tree nurseries: the Wilson State Nursery in Boscobel; the Griffith State Nursery in Wisconsin Rapids; and the Hayward State Nursery in Hayward. Seedlings have now been distributed for 2004 but sales for 2005 seedlings will begin in October. Orders can be submitted online in October at: <http://www.dnr.wi.gov/org/land/forestry/Nursery/order/index.htm>

Since the creation of the state nursery program in 1911, the state nurseries have produced over 1.5 billion seedlings. Spaced at a typical tree spacing of eight feet, this would be enough trees to encircle the globe 91 times!

### Tax law program established

Early property taxes were a financial burden on woodland owners and in many instances, forest landowners overcut their timber to pay their tax obligation. The negative effect of overcutting prompted state authorities to enact forest tax laws to promote timber growing.

There have been 3 different programs enacted over the years but only the Managed Forest Law (MFL) is still taking new entries. The purpose of all of the forest tax laws has been to encourage proper forest management on private lands by providing property tax incentives to landowners. This is accomplished



with a binding contract between the state Department of Natural Resources and private landowners.

The Forest Crop Law (FCL) was enacted in 1927 for large forest owners. The focus was long-term protection from development and subdivision. Recognizing the importance of small farmland woodlots, the legislature enacted the Woodland Tax Law (WTL) in 1954 to provide a forestry incentive program for owners of farm woodlots not large enough for FCL participation. In 1985 the FCL and WTL were repealed and the Managed Forest Law (MFL) was enacted. Today the WTL is no longer available to landowners and no new entries are allowed under FCL. MFL combines some characteristics of both the FCL and the WTL. Landowners have the option to choose a 25 or 50 year contract period and enrollment is open to all private landowners owning ten or more acres of woodlands. Currently about 26,000 landowners with more than 2.6 million acres are enrolled in FCL and MFL.

### Who's who in forest history

Many people – from forest landowners like you to foresters to elected leaders – played important roles in establishing sustainable forestry practices over the past one hundred years. Read about some of the key leaders in the restoration of Wisconsin's forest resource who have been honored by membership in the Wisconsin Forestry Hall of Fame: [http://wisconsinforestry.org/info\\_hallfame.html](http://wisconsinforestry.org/info_hallfame.html)



### Many forestry anniversaries in 2004

Not only does the 2004 Year of Wisconsin Forestry mark the centennial of Wisconsin's state forestry program, a number of other forestry organizations in Wisconsin are also celebrating landmark anniversaries this year – including several you might belong to.

The "Tree Farm" sign has stood for good forest management on private lands since 1944 and the American Tree Farm program celebrates 60 years in Wisconsin this year. Read about the history of this organization online at: [http://wisconsinforestry.org/information\\_treefarmhistory.html](http://wisconsinforestry.org/information_treefarmhistory.html)

This is the golden anniversary of the Wisconsin Christmas Tree Producers Association. Prior to the establishment of the Association, Wisconsin produced Christmas trees from natural stands of balsam, fir, spruce and pine. With the establishment of large plantations of pine after World War II, a number of people became interested in forming an association for their mutual interests. Today, as a leading producer of Christmas trees, Wisconsin annually harvests more than 3 million of the holiday evergreens. Christmas tree buyers from across the country come to Wisconsin each year to select quality-grown trees from experienced growers to sell in their retail lots.

Many of you are members of Wisconsin Woodland Owners Association (WWOA) and are celebrating the 25th anniversary of that organization this year. WWOA was established in 1979 to:

1. Advance the interests of woodland owners and the cause of forestry;
2. Develop public appreciation for the value of Wisconsin's woodlands and their importance in the overall welfare of the state;
3. Foster and encourage wise use and management of Wisconsin's woodlands for timber production, wildlife habitat and recreation; and
4. Educate those interested in managing Wisconsin's woodlands.

### What is happening this year

The "Year of Wisconsin Forestry" began with a January 22 ceremony at the State Capitol and continues with a variety of projects and activities around the state throughout 2004. The special year will end with the tree-lighting ceremony of the Capitol holiday tree during the first week of December 2004.

On May 15, over fifty members of the Wisconsin Woodland Owners Association are hosting an "Open Woods Day" at locations around the state. The event will offer fun activities and an opportunity to learn how fellow woodland owners are implementing forestry practices. Visit [http://wisconsinforestry.org/activities\\_content\\_openwoods.html](http://wisconsinforestry.org/activities_content_openwoods.html) for locations of woodlands that will be open to visitors from 9 A.M. to 1 P.M. on May 15.

The historic **Star Lake** plantation on the Northern Highland—American Legion State Forest will be honored at a June 6th ceremony. You're invited to participate and details are at: [http://wisconsinforestry.org/activities\\_content\\_starlake\\_20040606.html](http://wisconsinforestry.org/activities_content_starlake_20040606.html)

**Smokey Bear** turns 60 years old this summer and Wisconsin children are invited to enter a birthday card contest through Wisconsin's public libraries. Entry deadline is July 16 and contest information is available at your local library or online at: <http://wisconsinforestry.org/pdf/flyer.pdf>

**Girl Scouts** at all levels in Wisconsin are invited to earn a special one-year patch for the "Year of Wisconsin Forestry." Criteria for the patch can be found at: <http://wisconsinforestry.org/pdf/GirlScoutPatch.pdf>

The Governor's proclamation declaring the "Year of Wisconsin Forestry" and other information about the year can be found online at: [www.wisconsinforestry.org](http://www.wisconsinforestry.org)

Thanks to the foresight of early leaders and the hard work of foresters and forest landowners, our forests have been restored and expanded, and will continue to be vital and thriving in the next 100 years and beyond.

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